



March 18, 2014

Michigan House Transportation and Infrastructure Committee
Lansing, MI

**Re: MEC Opposes SB 265, Test Vehicle Exemption From RTA Vehicle
Registration Tax**

Dear Representatives:

The Michigan Environmental Council is a coalition of over 65 environmental, conservation and faith-based organizations located across Michigan. These organizations place a high priority on transportation issues, and particularly passenger transportation issues, as key to Michigan's economic success, good quality of life, and environmental prosperity. The Michigan Environmental Council enthusiastically supports the Regional Transit Authority (RTA), and we want to ensure that it has the tools necessary for its future success.

In short, this bill would limit the RTA's potential tools even before it becomes substantively functional. SB 265 would exempt a company's test vehicles from an additional Regional Transit Authority vehicle registration tax (which would have to first be proffered by the RTA board and then approved by the electorate). As we noted in our April 2013 testimony to the Senate Transportation Committee, the burden on manufacturers would not be excessive compared to the potential benefits to the region from a successful RTA. This loss of revenue, even if less than the estimated \$1.1 million projected by the Senate Fiscal Agency, would be a significant barrier to the success of the RTA were it to choose to fund operations through a motor vehicle registration tax.

We have two primary concerns with SB 265:

1. It's a special interest carve out. The Legislature should not inaugurate the RTA by carving out special interest exemptions to potential revenue tools (if approved by the electorate) which would hinder the infant RTA.
2. It's premature. The Legislature should not presuppose problems and burdens with the RTA; it should assess real issues as they arise and provide appropriate and timely remedies.

Again, the Michigan Environmental Council opposes SB 265 because it would limit the RTA's potential tools even before it's up and running. Thank you for the opportunity to consider our comments. As always, we are available to you to answer any questions about our comments you may have.

Sincerely,

James Clift
Policy Director

Attachment: Senate Fiscal Agency SB 265 Analysis 4-18-13